



16 June 2008

ASX Limited
Company Announcements Office
20 Bridge Street
SYDNEY NSW 2000

Kairiki Raises \$11.5m to Fund SC54 Drilling Program

Kairiki Energy Limited (Kairiki) is pleased to advise that it has reached agreement to place up to 49,949,730 ordinary fully paid shares at \$0.23 per share to raise gross funds of \$11,488,438. The share placement to sophisticated investors is being jointly managed by Patersons Securities Limited and Southern Cross Equities Limited.

The funds will be used to fund Kairiki's Philippine's drilling program and for working capital purposes.

Service Contract 54 Drilling Program

On 30 April 2008, Kairiki announced plans to expand its drilling program in Service Contract 54 (SC54) from one well to three wells. Kairiki and its Joint Venture partner Nido Petroleum Limited will drill at least two shallow water wells with a jack-up rig at the end of 2008, followed by drilling of the Gindara Prospect with a semi-submersible rig in 2009. The purpose of the capital raising is to assist in the funding of this accelerated drilling program that will form the basis of a larger scale program to be conducted over the next few years.

Share Placement

The share placement has enabled Kairiki to strengthen and diversify its institutional shareholder base through the introduction of new funds from Hong Kong, Switzerland and Australia.

The shares will be issued within the scope of Kairiki's available share placement capacity under ASX Listing Rule 7.1. Settlement of the fundraising is anticipated to occur on 23 June 2008 with the quotation of the new shares expected on 26 June 2008. Upon quotation, Kairiki's total issued share capital is expected to be 399,614,597 shares.

Kairiki intends to subsequently seek approval of this issue at a general meeting pursuant to Listing Rule 7.4 (subsequent approval of issue of securities).

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